



## Press release

### **ASA International Group plc December 2021 business update**

Amsterdam, The Netherlands, 19 January 2022 - ASA International, ('ASA International', the 'Company' or the 'Group'), one of the world's largest international microfinance institutions, today provides the following update of the impact of Covid-19 on its business operations as at 31 December 2021.

- Liquidity remains high with approximately USD 91m of unrestricted cash and cash equivalents across the Group. The reduction in unrestricted cash and cash equivalents compared to November, is primarily due to loan repayments in India.
- The pipeline of funding deals under negotiation totalled approximately USD 187m, which has come down due to USD 19m of fresh loans secured before the 2021 year-end.
- With the exception of India and Myanmar, all other operating companies continued to achieve collection efficiency of more than 90% and 9 countries achieved more than 95%.
- India collections improved to 74% from 69%, as most states slowly recovered from recent lockdowns. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring offered by the Reserve Bank of India ('RBI'), increased to 94%.
- Sri Lanka collections improved to 94% from 92%, following the end of nationwide lockdowns.
- Collections in Myanmar improved to 78% from 75% in November, despite the partial lockdown imposed by the local government.
- The benchmark PAR>30 for the Group, including off-book loans and excluding loans overdue more than 365 days, improved to 7.3% from 10.1% in November, and PAR>90 improved to 4.6% from 7.2% in November.
- The Group's operating subsidiaries, excluding India, the Philippines and Myanmar, collectively have been able to reduce PAR>30 to 1.6%.
- Excluding all loans which have been overdue for more than 180 days and, as a result, have been fully provided for, PAR>30 slightly improved from 4.4% in November to 4.1%.
- Disbursements as percentage of collections exceeded 100% in 4 countries. The decreasing percentages seen in Philippines, Ghana, Nigeria, Kenya, Uganda, Tanzania and Rwanda were primarily due to reduced loan uptake by clients over the Christmas holidays.
- With the number of clients decreasing to 2.4m (6.2% lower than in November and fractionally higher than in December 2020) partly due to provisional write-offs, and with disbursements as percentage of collections decreasing, Gross OLP decreased to USD 429m (5% lower than in November 2021 and 4% lower than in December 2020).
- The moratoriums in December amounted to USD 29.5m, primarily due to the loan restructuring of certain distressed clients in India as per the RBI guidelines.

### **Health impact of COVID-19 on staff and clients**

- Since March 2020, the number of staff members confirmed as infected by Covid-19 increased to 459 of over 12,800 staff, with two deaths. Confirmed infections amongst 2.4m clients increased to 20,748 from 20,395 in the previous month, resulting in 685 deaths since the start of the pandemic. Of the 685 client deaths across the Group, 451 are from Myanmar, with no deaths occurring in December 2021.

## Funding

- Unrestricted cash and cash equivalents remained high at approximately USD 91m. The reduction in unrestricted cash and cash equivalents compared to November, is primarily due to loan repayments in India.
- The majority of the Company's USD 187m pipeline of future wholesale loans are supported by (agreed) term sheets and/or draft loan documentation. The terms and conditions of the remaining loans are being negotiated with lenders. The drop in the funding pipeline was partially caused by the relatively large amount (approximately USD 19m) of new loans secured from local and international lenders in December.

## Collection efficiency until 31 December 2021<sup>(1, 2)</sup>

Countries	Apr/21	May/21	Jun/21	Jul/21	Aug/21	Sep/21	Oct/21	Nov/21	Dec/21
India	87%	67%	55%	58%	60%	64%	70%	69%	74%
Pakistan	99%	99%	99%	99%	99%	99%	99%	99%	99%
Sri Lanka	93%	57%	76% <sup>(3)</sup>	76%	80% <sup>(3)</sup>	Nil <sup>(3)</sup>	91%	92%	94%
The Philippines	84%	89%	99%	100%	99%	96%	97%	97%	97%
Myanmar	55%	67%	70%	64% <sup>(4)</sup>	Nil <sup>(5)</sup>	55% <sup>(6)</sup>	68% <sup>(6)</sup>	75% <sup>(6)</sup>	78% <sup>(6)</sup>
Ghana	100%	99%	99%	99%	99%	99%	100%	99%	99%
Nigeria	95%	94%	96%	96%	96%	95%	96%	97%	96%
Sierra Leone	93%	92%	94%	93%	92%	91%	93%	92%	92%
Kenya	100%	99%	99%	99%	99%	100%	100%	100%	100%
Uganda	100%	100%	95%	83%	84%	89%	94%	98%	100%
Tanzania	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rwanda	95%	96%	96%	96%	94%	96%	97%	97%	97%
Zambia	100%	99%	100%	100%	99%	100%	99%	99%	99%

<sup>(1)</sup> Collection efficiency refers to actual collections from clients divided by realizable collections for the period.

<sup>(2)</sup> As of December 2020, the definition of collection efficiency has been amended in view of the increased amount of overdue collection and advance payments in various countries to: the sum of actual regular collections, actual overdue collections and actual advance payments divided by the sum of realizable regular collections, actual overdue collections and actual advance payments. This also means that collection efficiency no longer can exceed 100%.

<sup>(3)</sup> The collection efficiency for 1-15 June 2021, 20-31 August 2021, and 1-29 September 2021 is nil due to the lockdowns in Sri Lanka. Only the collection efficiency for 16-30 June 2021, 1-19 August 2021, and 30 September 2021 is provided.

<sup>(4)</sup> Collection efficiency for 1-16 July 2021. The collection efficiency for 17-31 July is nil due to the holiday from 17 July to 1 August 2021, announced by the Myanmar Government, so only the collection efficiency for 1-16 July 2021 is provided.

<sup>(5)</sup> Collection efficiency for August 2021 is nil due to the stay-at-home policy from 1 August to 24 September 2021, announced by the Myanmar Government.

<sup>(6)</sup> Collections are impacted by the ongoing lockdowns.

- Collection efficiency across the Group increased or remained broadly stable compared to the previous month in all countries.
- Collections in India improved to 74%, as clients' businesses continue to slowly recover from the impact of recent lockdowns in most states. Collection efficiency, excluding instalments due from clients receiving the one-time loan restructuring, increased to 94%.
- Collection efficiency, including regular and overdue collections as well as advance payments, amounts to 95% as a percentage of the regular, realizable collections, including advance payments. The substantial difference is due to the Group's policy that any loan instalment paid is first credited against the oldest outstanding amount overdue. This has an adverse impact on India's monthly collection efficiency, which is further aggravated by the relatively long duration of the loans disbursed in India.
- Collections in Sri Lanka improved to 94%, following the end of nation-wide lockdowns.
- Myanmar collections improved to 78%, despite the partial lockdown imposed by the government.

## Loan portfolio quality up to and including December 2021<sup>(7, 8, 9)</sup>

	Gross OLP (in USDm)			Non-overdue loans			PAR>30 less PAR>180		
	Oct/21	Nov/21	Dec/21	Oct/21	Nov/21	Dec/21	Oct/21	Nov/21	Dec/21
India (total)	125	125	113	55.7%	57.7%	67.2%	13.3%	12.6%	12.4%
Pakistan	76	77	79	99.6%	99.7%	99.7%	0.2%	0.2%	0.2%
Sri Lanka	8	8	8	81.1%	82.5%	87.2%	6.4%	4.3%	3.6%
Philippines	55	56	47	77.7%	79.1%	95.5%	2.4%	2.1%	2.3%
Myanmar	20	20	20	98.6%	98.6%	97.9%	0.4%	0.4%	0.6%
Ghana	47	49	49	99.1%	99.2%	99.3%	0.3%	0.3%	0.2%
Nigeria	37	41	40	90.5%	90.9%	92.7%	2.9%	2.6%	2.8%
Sierra Leone	7	7	7	79.7%	78.8%	87.4%	3.2%	4.9%	5.6%
Kenya	19	19	17	91.1%	91.6%	98.5%	0.5%	0.4%	0.5%
Uganda	10	10	10	85.5%	89.1%	89.8%	5.5%	3.8%	3.1%
Tanzania	31	33	35	98.3%	98.4%	99.1%	0.3%	0.3%	0.2%
Rwanda	3	3	3	90.9%	92.7%	92.9%	2.8%	2.4%	2.6%
Zambia	2	2	2	98.9%	98.4%	98.2%	0.5%	0.5%	0.5%
<b>Group</b>	<b>439</b>	<b>449</b>	<b>429</b>	<b>82.0%</b>	<b>83.2%</b>	<b>89.1%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>4.1%</b>

	PAR>30			PAR>90			PAR>180		
	Oct/21	Nov/21	Dec/21	Oct/21	Nov/21	Dec/21	Oct/21	Nov/21	Dec/21
India (total)	29.4%	25.2%	22.9%	20.3%	16.5%	14.2%	16.0%	12.6%	10.5%
Pakistan	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.0%	0.0%
Sri Lanka	9.1%	6.8%	6.0%	6.7%	5.2%	4.0%	2.8%	2.5%	2.5%
Philippines	18.2%	17.2%	2.5%	16.6%	16.0%	1.5%	15.8%	15.1%	0.3%
Myanmar	1.0%	1.0%	1.1%	0.8%	0.7%	0.7%	0.6%	0.5%	0.5%
Ghana	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Nigeria	4.5%	4.2%	4.6%	2.9%	2.8%	3.1%	1.6%	1.6%	1.7%
Sierra Leone	5.1%	6.8%	7.5%	3.2%	3.5%	4.0%	1.9%	1.9%	1.9%
Kenya	1.6%	1.0%	1.0%	1.3%	0.8%	0.8%	1.1%	0.6%	0.5%
Uganda	10.6%	5.6%	3.8%	7.1%	4.4%	3.4%	5.1%	1.8%	0.7%
Tanzania	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.3%	0.2%	0.3%
Rwanda	6.4%	4.7%	4.5%	4.6%	3.5%	3.2%	3.6%	2.3%	1.9%
Zambia	1.0%	0.7%	0.7%	0.8%	0.4%	0.5%	0.5%	0.2%	0.2%
<b>Group</b>	<b>11.8%</b>	<b>10.1%</b>	<b>7.3%</b>	<b>8.6%</b>	<b>7.2%</b>	<b>4.6%</b>	<b>7.0%</b>	<b>5.7%</b>	<b>3.1%</b>

<sup>(7)</sup> Gross OLP includes the off-book BC and DA model, excluding interest receivable and before deducting ECL provisions and modification loss.

<sup>(8)</sup> PAR>x is the percentage of outstanding customer loans with at least one instalment payment overdue x days, excluding loans more than 365 days overdue, to Gross OLP including off-book loans. Loans overdue more than 365 days now comprise 1% of the Gross OLP, following a provisional write-off of bad debts.

<sup>(9)</sup> The table "PAR>30 less PAR>180" shows the percentage of outstanding client loans with a PAR greater than 30 days, less those loans which have been fully provided for.

- The reduction in Gross OLP and PAR in India and the Philippines are primarily caused by provisional write-offs. As a result, PAR>30 for the Group improved to 7.3%, which was also impacted by moratoriums granted in Myanmar.
- Credit exposure of the India off-book BC portfolio of USD 33.7m is capped at 5%. The included off-book DA portfolio of USD 1.8m has no credit exposure.

## Disbursements vs collections of loans until 31 December 2021<sup>(10)</sup>

Countries	Apr/21	May/21	Jun/21	Jul/21	Aug/21	Sep/21	Oct/21	Nov/21	Dec/21
India	71%	3%	5%	25%	36%	52%	39%	85%	88%
Pakistan	102%	89% <sup>(11)</sup>	102%	98%	103%	100%	100%	98%	100%
Sri Lanka	43%	17%	0%	56%	87%	Nil <sup>(13)</sup>	86%	100%	113%
The Philippines	88%	91%	88%	87%	91%	89%	90%	90%	81%
Myanmar	30%	76%	87%	64%	Nil <sup>(12)</sup>	37%	73%	90%	95%
Ghana	99%	91% <sup>(11)</sup>	99%	85%	112%	120%	111%	114%	108%
Nigeria	109%	108%	109%	103%	104%	110%	128%	134%	93%
Sierra Leone	95%	101%	118%	119%	133%	124%	112%	112%	110%
Kenya	100%	100%	93%	107%	97%	100%	96%	103%	55%
Uganda	105%	99%	53%	60%	93%	109%	115%	121%	69%
Tanzania	107%	109%	96%	86%	91%	100%	107%	109%	97%
Rwanda	95%	106%	81%	61%	95%	102%	101%	105%	98%
Zambia	107%	142%	170%	103%	102%	102%	110%	111%	109%

<sup>(10)</sup> Disbursements vs collections refers to actual loan disbursements made to clients divided by total loans collected from clients in the period.

<sup>(11)</sup> Slowdown in disbursements due to official EID holidays in second week of May.

<sup>(12)</sup> Disbursements vs collections for August is nil due to the stay-at-home policy announced by the Myanmar Government.

<sup>(13)</sup> Disbursements vs collections for September is nil due to the nationwide lockdowns.

- Due to the Christmas holidays, disbursements of new loans decreased as a percentage of weekly collections in ten countries.

## Development of Clients and Outstanding Loan Portfolio until 31 December 2021

Countries	<u>Clients (in thousands)</u>			<u>Delta</u>		<u>Gross OLP (in USDm)</u>			<u>Delta</u>		
	Dec/20	Nov/21	Dec/21	<u>Dec/20-</u>	<u>Nov/21-</u>	Dec/20	Nov/21	Dec/21	<u>Dec/20-</u>	<u>Dec/20-</u>	<u>Nov/21-</u>
				<u>Dec/21</u>	<u>Dec/21</u>				<u>Dec/21</u>	<u>USD</u>	<u>CC<sup>(14)</sup></u>
India	714	629	541	-24%	-14%	165	125	113	-32%	-31%	-10%
Pakistan	416	501	512	23%	2%	64	77	79	22%	36%	3%
Sri Lanka	56	52	53	-5%	2%	9	8	8	-8%	1%	2%
The Philippines	299	352	290	-3%	-18%	50	56	47	-7%	-1%	-16%
Myanmar	129	113	111	-14%	-1%	31	20	20	-34%	-12%	1%
Ghana	158	158	159	1%	0%	42	49	49	15%	21%	1%
Nigeria	253	265	254	0%	-4%	33	41	40	23%	31%	-2%
Sierra Leone	36	45	44	22%	-2%	4	7	7	55%	73%	-1%
Kenya	92	129	119	29%	-8%	13	19	17	27%	32%	-14%
Uganda	81	91	92	13%	1%	8	10	10	20%	17%	-5%
Tanzania	121	172	174	43%	1%	22	33	35	61%	60%	5%
Rwanda	19	18	18	-6%	3%	3	3	3	14%	19%	2%
Zambia	5	14	15	171%	7%	0.4	2	2	392%	287%	5%
<b>Total</b>	<b>2,381</b>	<b>2,539</b>	<b>2,382</b>	<b>0.04%</b>	<b>-6.2%</b>	<b>445</b>	<b>450</b>	<b>429</b>	<b>-4%</b>	<b>2%</b>	<b>-5%</b>

<sup>(14)</sup> Constant currency ('CC') implies conversion of local currency results to USD with the exchange rate from the beginning of the period.

- With the number of clients decreasing to 2.4m (6.2% lower than in November and fractionally higher than in December 2020) caused by provisional write-offs, and disbursements as percentage of collections decreasing, Gross OLP decreased to USD 429m (5% lower than in November 2021 and 4% lower than in December 2020).

## Selected moratoriums<sup>(15)</sup> on loan repayments until 31 December 2021

### Clients under moratorium (in thousands)

<u>Countries</u>	<u>Oct/21</u>	<u>Nov/21</u>	<u>Dec/21</u>	<u>As % of Total Clients</u>
India	205	205	205	38%
Pakistan	0	0	0	0%
Sri Lanka	5	1	0	0%
The Philippines	0	0	0	0%
Myanmar	54	49	44	39%
Ghana	0	0	0	0%
Nigeria	0	0	0	0%
Sierra Leone	0	0	0	0%
Kenya	0	0	0	0%
Uganda	0	0	0	0%
Tanzania	0	0	0	0%
Rwanda	0	0	0	0%
Zambia	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
<b>Total</b>	<b>264</b>	<b>255</b>	<b>249</b>	<b>10%</b>

### Moratorium amounts (USD thousands)

<u>Countries</u>	<u>Oct/21</u>	<u>Nov/21</u>	<u>Dec/21</u>	<u>December Moratoriums as % of OLP</u>	<u>As % of Total Moratoriums</u>
India	35,276	31,935	28,753	26%	97%
Pakistan	0	0	0	0%	0%
Sri Lanka	71	12	0	0%	0%
The Philippines	0	0	0	0%	0%
Myanmar	1,010	902	778	4%	3%
Ghana	0	0	0	0%	0%
Nigeria	0	0	0	0%	0%
Sierra Leone	0	0	0	0%	0%
Kenya	0	0	0	0%	0%
Uganda	0	0	0	0%	0%
Tanzania	0	0	0	0%	0%
Rwanda	0	0	0	0%	0%
Zambia	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0%</u>
<b>Total</b>	<b>36,358</b>	<b>32,850</b>	<b>29,531</b>	<b>7%</b>	<b>100%</b>

<sup>(15)</sup> Moratoriums relate to clients who have received an extension for the payment of one or more loan instalments during the month.

- Moratoriums on loan repayments relate primarily to approximately 38% of clients in India, who accepted to benefit from the one-time debt restructuring scheme established by the RBI and confirmed in September 2021. See [RBI Covid-19 Restructuring Guidelines](#).
- Moratoriums granted in Myanmar were due to disruption in operations following partial lockdowns.
- The moratorium amount across the Group was USD 29.5m, which represents 7% of the Group's Gross OLP.

## Key events in January 2022

- In West Bengal, India, a lockdown has been imposed in several districts until 31 January 2022, impacting field staff gatherings with clients.
- Other than the existing partial lockdown and curfews in Myanmar, Uganda and Rwanda, the Company is not aware of any further restrictions implemented in its operating countries as a result of the emergence of the Omicron variant up until 17 January 2022.

Please note that, while the Company's operational performance appears to gradually normalize in most countries except for India and Myanmar, the risk of additional challenges to our operations should not be underestimated, due to (i) the still relatively high infection rates, (ii) the current lack of available vaccines in most of our operating countries, (iii) the risk of the introduction of more infectious COVID-19 variants in our operating countries, and (iv) the associated disruption this may cause to the businesses of our clients.

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### About ASA International Group plc

ASA International is one of the world's largest international microfinance institutions, with a strong commitment to financial inclusion and socioeconomic progress. The company provides small, socially responsible loans to low-income, financially underserved entrepreneurs, predominantly women, across South Asia, South East Asia, West and East Africa.